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**IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**AEGIS THERAPIES, INC.,
1000 Fiona Way
Forth Smith, AR 72910,**

Plaintiff,

vs.

**PRISM HEALTHCARE MANAGEMENT
GROUP, LLC,
c/o Statutory Agent
National Registered Agents, Inc.
200 West Adams Street
Chicago, IL 60606**

and

**MORRIS HEALTHCARE &
REHABILITATION CENTER, LLC,
c/o Statutory Agent
National Registered Agents, Inc.
200 West Adams Street
Chicago, IL 60606**

and

**AMBOY NURSING &
REHABILITATION CENTER, LLC,
c/o Statutory Agent
Abraham J. Stern
30 S. Wacker Drive
Chicago, IL 60606**

Defendants.

Case No. 12-CV-9751

Judge

COMPLAINT

Plaintiff Aegis Therapies, Inc. (“Aegis”), for its Complaint against Defendant Prism Healthcare Management Group, LLC (“Prism”); Defendant Morris Healthcare & Rehabilitation Center, LLC (“Morris”); and Defendant Amboy Nursing & Rehabilitation Center, LLC (“Amboy”), states as follows:

INTRODUCTION

1. Plaintiff Aegis furnishes skilled nursing and physical therapy services to medical providers, to skilled nursing facilities, and to rehabilitation facilities. Defendants Morris and Amboy operate separate skilled nursing and rehabilitation facilities.

2. These parties entered into contracts pursuant to which Aegis agreed to furnish skilled therapy services to patients of Morris and Amboy, in exchange for compensation. While Aegis complied in every material aspect by providing such services to Defendants’ residents, Defendants have repeatedly failed to compensate Aegis. Separate agreements were later entered setting forth the terms of re-payment of admitted amounts due, and Prism guaranteed payment of the amount due by Morris and Amboy. Aegis has provided Defendants with multiple opportunities to cure, to no avail. Accordingly, Aegis seeks recovery for the damages it has sustained as a result of Defendants’ material breach.

PARTIES

3. Plaintiff Aegis Therapies, Inc. is a Delaware corporation having its principal place of business in the State of Arkansas.

4. Defendant Prism Healthcare Management Group, LLC is an Illinois limited liability corporation, with its principal place of business at 999 Oakmont Plaza, Suite 540,

Westmont, Illinois 60559.

5. Defendant Morris Healthcare & Rehabilitation Center, LLC is an Illinois limited liability corporation, with its principal place of business at 1111 Pasquinelli Drive, Suite 450, Westmont, Illinois 60559.

6. Defendant Amboy Nursing & Rehabilitation Center, LLC is an Illinois limited liability corporation, with its principal place of business at 4101 Main Street, Skokie, Illinois 60076.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this matter pursuant to the provisions of 28 U.S.C. § 1332(a)(1), because complete diversity of citizenship exists between the Parties, and the amount in controversy exceeds the sum of Seventy-five Thousand Dollars (\$75,000.00) exclusive of interest and costs.

8. Venue in this Court is appropriate under 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to this action took place in this judicial district.

9. Venue is also proper in this Court pursuant to 28 U.S.C. § 1391(b)(1) and (c)(2) because the Defendants' places of business are located within this judicial district; the Defendants maintain sufficient contacts within this judicial district; and are subject to personal jurisdiction within this judicial district.

FACTS COMMON TO ALL CLAIMS

10. Upon information and belief, Defendant Prism is the corporate parent or owner of Defendants Morris and Amboy.

11. On or about January 23, 2006, Plaintiff Aegis entered into separate Outsourcing Therapies Agreements with Defendant Morris Healthcare & Rehabilitation Center, LLC, and Defendant Amboy Nursing & Rehabilitation Center, LLC, under which Plaintiff was to provide specialized therapy services at Defendants' facilities. True and accurate copies of the Outsourcing Therapies Agreements are attached hereto as Exhibit "A" and "B".

12. Plaintiff Aegis Therapies, Inc. performed as required by the Outsourcing Therapies Agreements, and satisfied all conditions precedent for payment.

13. Defendant Morris Healthcare & Rehabilitation Center, LLC, and Defendant Amboy Nursing & Rehabilitation Center, LLC, breached the Outsourcing Therapies Agreements by failing to make payments as required.

14. On or about October 31, 2011, Plaintiff Aegis Therapies, Inc. entered into Payment Agreements with Defendant Morris Healthcare & Rehabilitation Center, LLC, and Defendant Amboy Nursing & Rehabilitation Center, LLC. A true and accurate copy of the Payment Agreements is attached hereto as Exhibits "C" and "D".

15. In its Payment Agreement, Defendant Morris Healthcare & Rehabilitation Center, LLC acknowledged a past due amount of \$1,114,457.12, and agreed to make weekly payments of \$5,000.00.

16. In its Payment Agreement, Defendant Amboy Nursing & Rehabilitation Center, LLC acknowledged a past due amount of \$119,045.84, and agreed to make weekly payments of \$1,500.00.

17. Payment of the amounts due by Defendant Morris Healthcare & Rehabilitation Center, LLC, and Defendant Amboy Nursing & Rehabilitation Center, LLC's, were guaranteed by a separate Guaranty Agreement executed by Defendant Prism Healthcare Management

Group, LLC and Plaintiff Aegis Therapies, Inc.. A true and accurate copy of the Guaranty Agreement is attached hereto as Exhibit "E".

18. Thereafter, Defendant Morris Healthcare & Rehabilitation Center, LLC, and Defendant Amboy Nursing & Rehabilitation Center, LLC's breached the Payment Agreements by failing to make payments as required.

19. Pursuant to the terms of the Payment Agreements, Defendants are in default, the balance due is accelerated and Plaintiff is entitled to immediate payment of the entire balance.

20. Defendant Prism Healthcare Management Group, LLC has breached the Guaranty Agreement by failing to make payments as required.

21. Plaintiff Aegis Therapies, Inc. has made repeated demands upon Defendants for full payment, which demands have been refused or otherwise ignored.

22. As a result of Defendants' refusal to pay the amounts due for the services provided, Plaintiff Aegis Therapies, Inc. has been damaged in the amount of \$1,233,502.96, plus attorneys fees and collection costs.

FIRST CLAIM FOR RELIEF:

**Breach Of Contract – Outsourcing Therapies Agreement
Against Defendant Morris Healthcare & Rehabilitation Center, LLC**

23. Aegis hereby incorporates by reference paragraphs one (1) through twenty-two (22) of the Complaint as if written herein.

24. By failing to make payments when due, Morris breached the Outsourcing Therapies Agreement, and is therefore in default of the Outsourcing Therapies Agreement.

25. Pursuant to the terms of the Outsourcing Therapies Agreement, Morris is indebted to Aegis in the amount of \$1,114,457.12.

26. Morris breached the provisions of the Outsourcing Therapies Agreement by, among other things, failing to pay Aegis as required.

27. As a direct result of Morris' material breach of the Outsourcing Therapies Agreement, as set forth above, Aegis has been damaged in the amount of \$1,114,457.12, and pursuant to the terms of the agreements, is entitled to recover its costs and attorney fees.

SECOND CLAIM FOR RELIEF:
Breach Of Contract – Payment Agreement
Against Defendant Morris Healthcare & Rehabilitation Center, LLC

28. Aegis hereby incorporates by reference paragraphs one (1) through twenty-eight (28) of the Complaint as if written herein.

29. By failing to make payments when due, Morris breached the Payment Agreement, and is therefore in default of the Payment Agreement.

30. Pursuant to the terms of the Payment Agreement, Morris is indebted to Aegis in the amount of \$1,114,457.12.

31. Morris breached the provisions of the Payment Agreement by, among other things, failing to pay Aegis as required.

32. As a direct result of Morris' material breach of the Payment Agreement, as set forth above, Aegis has been damaged in the amount of \$1,114,457.12, and pursuant to the terms of the agreements, is entitled to recover its costs and attorney fees.

THIRD CLAIM FOR RELIEF:
Action On Account
Against Defendant Morris Healthcare & Rehabilitation Center, LLC

33. Aegis hereby incorporates by reference paragraphs one (1) through thirty-two (32) of the Complaint as if written herein.

34. Throughout the relationship between the parties, Aegis has rendered invoices constituting statements of account for amounts owed by Morris in exchange for services provided by Aegis.

35. Morris has recognized and acknowledged the correctness of the account, as reflected in the invoices submitted by Aegis, without contesting same.

36. Morris acknowledged a past due amount of \$1,114,457.12, in its Payment Agreement executed with Aegis.

37. Morris has failed to make payments to Aegis, and Aegis has sustained damages as a result in the amount of \$1,114,457.12, and pursuant to the terms of the agreements, is entitled to recover its costs and attorney fees.

FOURTH CLAIM FOR RELIEF:
Breach Of Contract – Payment Agreement
Against Defendant Amboy Nursing & Rehabilitation Center, LLC

38. Aegis hereby incorporates by reference paragraphs one (1) through thirty-seven (37) of the Complaint as if written herein.

39. By failing to make payments when due, Amboy breached the Payment Agreement, and is therefore in default of the Payment Agreement.

40. Pursuant to the terms of the Payment Agreement, Amboy is indebted to Aegis in the amount of \$119,045.84.

41. Amboy breached the provisions of the Payment Agreement by, among other things, failing to pay Aegis as required.

42. As a direct result of Amboy's material breach of the Payment Agreement, as set forth above, Aegis has been damaged in the amount of \$119,045.84, and pursuant to the terms of the agreements, is entitled to recover its costs and attorney fees.

FIFTH CLAIM FOR RELIEF:

**Breach Of Contract – Outsourcing Therapies Agreement
Against Defendant Amboy Nursing & Rehabilitation Center, LLC**

43. Aegis hereby incorporates by reference paragraphs one (1) through forty-two (42) of the Complaint as if written herein.

44. By failing to make payments when due, Amboy breached the Outsourcing Therapies Agreement, and is therefore in default of the Outsourcing Therapies Agreement.

45. Pursuant to the terms of the Outsourcing Therapies Agreement, Amboy is indebted to Aegis in the amount of \$119,045.84.

46. Amboy breached the provisions of the Outsourcing Therapies Agreement by, among other things, failing to pay Aegis as required.

47. As a direct result of Amboy's material breach of the Outsourcing Therapies Agreement, as set forth above, Aegis has been damaged in the amount of \$119,045.84, and pursuant to the terms of the agreements, is entitled to recover its costs and attorney fees.

SIXTH CLAIM FOR RELIEF:

**Action On Account
Against Defendant Amboy Nursing & Rehabilitation Center, LLC**

48. Aegis hereby incorporates by reference paragraphs one (1) through forty-seven (47) of the Complaint as if written herein.

49. Throughout the relationship between the parties, Aegis has rendered invoices constituting statements of account for amounts owed by Amboy in exchange for services provided by Aegis.

50. Amboy has recognized and acknowledged the correctness of the account, as reflected in the invoices submitted by Aegis, without contesting same.

51. Amboy acknowledged a past due amount of \$119,045.84, in its Payment Agreement executed with Aegis.

52. Amboy has failed to make payments to Aegis, and Aegis has sustained damages as a result in the amount of \$119,045.84, and pursuant to the terms of the agreements, is entitled to recover its costs and attorney fees.

SEVENTH CLAIM FOR RELIEF:

**Breach Of Guaranty
Against Defendant Prism Healthcare Management Group, LLC**

53. Aegis hereby incorporates by reference paragraphs one (1) through fifty-two (52) of the Complaint as if written herein.

54. In order to induce Aegis to enter into the Payment Agreements with Morris and Amboy, Prism agreed to guarantee payment and performance of the obligations under the Payment Agreements and signed a Guaranty Agreement. A true and accurate copy of the Guaranty Agreement was incorporated into each of the Payment Agreements.

55. Prism is presently obligated to Aegis for the principal amount due of \$1,233,502.96, pursuant to the terms of the Guaranty Agreement.

56. Although demand was made on Prism to pay said amount due and owing on the Payment Agreements and Guaranty Agreement, Prism has failed and refused to pay said amount or any other amount due under the Guaranty Agreement.

57. As a result of Prism's failure and refusal to pay said amount due under the Guaranty Agreement, Aegis has sustained damages in the amount of \$119,045.84, and pursuant to the terms of the Guaranty Agreement, is entitled to recover its costs and attorney fees.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Aegis Therapies, Inc. Bank, N.A. respectfully requests that the Court award it judgment against Defendants in the amount of \$1,233,503.96, based upon the breach of contract and account rendered and stated, plus the reasonable expenses of collection and enforcement of collection and enforcement including reasonable attorney fees and legal expenses incurred in this case.

Respectfully submitted,

Weltman, Weinberg & Reis Co., L.P.A.

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